



Resolution #HSRA 16-10

Adoption of the Risk-Informed Contingency for the Construction Package 4 Design-Build Contract

Whereas, the California High-Speed Rail Authority (Authority) is responsible for the development and implementation of intercity high-speed rail service pursuant the Public Utilities Code §185030, *et seq.*;

Whereas, in its August 1, 2013 Resolution #HSRA 13-20, the Authority Board established policies and procedures pertaining to the use of contingencies on Construction, Design-Build, and Design-Build-Operate contracts;

Whereas, as part of Resolution #HSRA 13-20, the Board adopted a risk-based, informed approach in determining appropriate levels of contingency;

Whereas, the Authority Finance & Audit Committee, in its advisory committee role, received risk-informed contingency assessment reports and recommended contingency estimates for Construction Package 4 (CP 4) from Authority staff; and,

Whereas, at the April 12, 2016 regular Board Meeting, the Authority Finance & Audit Committee reported its recommendation for Board approval for CP 4 contingency in the amount of \$62,000,000.

Therefore it is resolved:

1. The Board received the Finance & Audit Committee's recommendation for Board approval of CP 4 contract contingency in the amount of \$62,000,000 based upon Authority staff's risk-informed contingency assessment reports and recommended contingency estimates for Construction Package 4.
2. The Board approves a contract contingency for CP 4 in the amount of \$62,000,000.
3. The Board authorizes the CEO, or his designee, to manage the CP 4 contract contingency balance, with required reporting to the Finance & Audit Committee at its regular meetings or upon request, and for the Finance & Audit Committee to provide recurring notification to the Board on contingency trending information.

Vote: 7 – 0

Yes: Correa; Curtin; Lowenthal; Paskett; Richard; Richards; Rossi

No: N/A

Absent: Schenk

Date: 04/12/2016

o000o